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**Via Email and Overnight Delivery**

RPS Mailbox  
Division of Energy Resources  
70 Franklin Street  
7<sup>th</sup> Floor  
Boston, Massachusetts 02110-1313

**Re: In Regard to the Biomass Conversion of the Schiller Station  
Unit 4 – Portsmouth, NH Public Service of New Hampshire**

Dear Sirs:

On July 17, 2003, the Massachusetts Division of Energy Resources ("DOER") issued a Draft Advisory Ruling (the "Draft Ruling") regarding Public Service of New Hampshire's ("PSNH") request that the DOER provide an Advisory Ruling with respect to the qualification of PSNH's Schiller Station Unit 4 (the "Station") as an approved generator under Massachusetts Renewable Portfolio Standard ("RPS"). The DOER requested comments from the public, which comments are due August 15, 2003. Ridgewood Renewable Power, LLC ("Ridgewood") apologizes for getting these comments to the DOER a day late and hope that the DOER will nonetheless accept them.

Ridgewood is the managing shareholder of several independent Delaware business trusts that own renewable electric generators in New England. Ridgewood, through an affiliate, operates two biomass facilities in West Enfield and Jonesboro, Maine, owned by Indeck Maine Energy, LLC, each of which is qualified under the RPS regulations. While Ridgewood fully supports the RPS, has worked to insure a vibrant and robust market for renewable energy credits ("RECs"), and the development and construction of new renewable generation units in New England, we nonetheless have some comments to the Draft Ruling. The comments expressed herein by Ridgewood do not necessarily include all of Ridgewood's concerns and we reserve the right to raise these and other issues in response to any PSNH application for a Statement of Qualification for the Station.

**Eligible Biomass Fuels/Low Emissions**

The Draft Ruling provides that it is PSNH's intention to use as fuel "whole tree chips, clean urban wastes, pallets, and possibly, clean construction and demolition (C&D) wastes." Ridgewood believes that any application that PSNH may file regarding the station must clearly define what PSNH means by "clean urban wastes" and "clean construction and demolition" sources of fuel, neither of which are mentioned in the definition of "Eligible Biomass Fuel".

Eligible Biomass Fuel is defined in the RPS Regulations to include "other clean wood that are not mixed with other solid wastes" and "organic refuse-derived fuel that is collected and managed separately from municipal solid waste." Ridgewood believes that the use of C&D as biomass fuel cannot be considered under any circumstance as being "clean wood." Among other reasons, such fuel, despite the users best efforts to separate and screen hazardous substances, will almost always result in the burning of lead and other hazardous materials that were painted or placed on the wood or that is part of the C&D material. Because of the combustion of such "other solid wastes," the ash that results is usually hazardous material and must be disposed of accordingly. Indeck, however, burns clean whole tree chips and its ash is used as fertilizer in farming activities. Therefore, the Station's use of C&D wood waste should be prohibited by the DOER unless the Station can demonstrate to the DOER that such material is "clean wood" that is not mixed with other material. Moreover, the Station's use of "urban wastes" should likewise be scrutinized by the DOER during any application review since such material is not even defined by the RPS Regulations. For example, as stated in Paragraph 5 of the "Summary of Ruling and Rationale", at a minimum, periodic (monthly) publicly available reporting should be required regarding any such fuel use.

In addition, Ridgewood objects to the fact that currently under the Draft Ruling the Station would be permitted to operate in exceedence of its emissions (as applied to the entire Generation Unit, as provided in Paragraph 4) and presumably sell RECs for a period of 90 days. Indeck's Statement of Application provides that if in any given month the Indeck units exceed permit levels, Indeck is required immediately to report such exceedence and all RECs generated during that period are ineligible. Indeck sees no reason why the Station should accorded differing, and seemingly preferential, treatment on this point. Therefore, Ridgewood objects to the different treatment accorded the Station under Paragraph 6.

**Vintage Generation Unit**

In the Draft Ruling, the DOER concludes that the Station would not be a Vintage Generation Unit under the RPS regulations because it "never operated with an eligible resource or fuel and never met RPS technical standards." Ridgewood objects to such

conclusion in that it is not supported by the RPS Regulations. The Station is clearly a "Vintage Generation Unit" as determined by the RPS Regulations, however, in accordance with such regulations, its Historical Generation Rate will be 0 MW. So, although the DOER's conclusion in the Draft Ruling and a determination under the Regulations will have the same practical effect, Ridgewood believes that the DOER should make the determination as to vintage as required by the RPS Regulations, as it is required to do, rather than dismiss it under a standard that is not mentioned or permitted under such regulations.

Pursuant to the RPS Regulations, a "Generation Unit" is defined as "[a] facility that converts fuel or an energy resource into electrical energy." *See, Section 14.02 of the RPS Regulations*. The definition of Generation Unit is not specific as to the technology or type of fuel or energy resource that is converted and therefore, by its terms, is broad enough to encompass a coal-fired facility such as the Station. Therefore, under the RPS Regulations, the Station is a Generation Unit notwithstanding the fact that it "never operated with an eligible resource or fuel or met the RPS technical standards." Having concluded that under the RPS Regulations the Station is a "Generation Unit," it then either is or is not a Vintage Generation Unit. A "Vintage Generation Unit" is defined as "[a] Generation Unit that meets the requirements of 225 CMR 14.05(1)(a) and that has a Commercial Operation Date of December 31, 1997, or earlier." *See, Section 14.02 of the RPS Regulations*. Because the Station, as a "Generation Unit", as a commercial operation date of before December 31, 1997, it should be defined as a Vintage Generation Unit if it meets the requirements of Section 14.05(1)(a).

However, once a determination as to vintage is made, the RPS Regulations require a determination of the Historical Generation Rate of such Vintage Generation Unit. The Historical Generation Rate is the "average annual electrical production from a Generation Unit that meets the requirements of 225 CMR 14.05(1)(a)" for the calendar years 1995 through 1997. In other words, generation during that period from a renewable resource or fuel. With respect to the Station, such Historical Generation Rate is 0 MW. Therefore, although the practical effect of the DOER's conclusion in the Draft Ruling and a determination of vintage with respect to the Station is the same (i.e., no vintage), Ridgewood believes that the DOER's conclusion that the Station "is not a Vintage Generation Unit under the RPS" is incorrect and should not be adopted in any Final Ruling.

### **Conclusion**

In conclusion, except as set forth above, Ridgewood does not necessarily object to the Draft Ruling with respect to the oversight procedures that will be imposed by the DOER upon the Station should a Statement of Qualification be issued. We believe that the DOER should require monthly reporting to insure that the fuel is in fact

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"Eligible Biomass Fuel" and that the low emissions standards of the entire facility, even when co-firing, comply with regulations. If such monthly reporting indicates that the emissions exceed the required levels, RPS eligibility should be suspended immediately and all Rocs generated during such month should be ineligible for compliance purposes. Such restrictions have been imposed upon the Indeck facilities and Ridgewood sees no reason why they should not likewise be imposed upon the Station.

Finally, Ridgewood objects to the DOER's conclusion that the Station does not have any vintage generation requirements because it has never operated with an eligible renewable resource or fuel and never met the RPS technical requirements. Ridgewood believes that such conclusion is not supported by the RPS regulations. The Station is a Vintage Generation Unit as defined under the RPS Regulations, although its Historical Generation Rate is nonetheless 0 MW.

Ridgewood appreciates the opportunity to provide these comments. If you need anything further please do not hesitate to call me.

Very truly yours

A handwritten signature in black ink, appearing to read 'D. Gulino', with a long, sweeping horizontal line extending to the right.

Daniel V. Gulino

cc: B. Short